



MINUTES

REVENUE AND TAXATION INTERIM COMMITTEE

Wednesday, September 18, 2019 | 1:15 p.m. | 445 State Capitol

Members Present:

Sen. Lincoln Fillmore, Chair
Rep. Robert M. Spendlove, Chair
Sen. Daniel Hemmert
Sen. Deidre M. Henderson
Rep. Stewart E. Barlow
Rep. Joel K. Briscoe
Rep. Brad M. Daw
Rep. Steve Eliason
Rep. Jefferson Moss
Rep. Val L. Peterson
Rep. Tim Quinn
Rep. Douglas V. Sagers
Rep. Rex P. Shipp

Rep. Andrew Stoddard
Rep. Norman K. Thurston

Members Absent:

Sen. Curtis S. Bramble
Sen. Gene Davis
Rep. Francis D. Gibson
Rep. Bradley G. Last

Staff Present:

Mr. Ryan M. Hunter, Policy Analyst
Mr. Alex R. Janak, Policy Analyst
Ms. Andrea Valenti Arthur, Associate General Counsel
Ms. Christine R. Gilbert, Associate General Counsel
Mr. Jesse Dowdle, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Chair Spendlove called the meeting to order.

1 . Committee Business

2 . Use and Taxation of Water in Utah

Christopher Collard, Research Analyst, Utah Foundation, presented a report on water and property taxes and answered questions from the committee.

[2 - Utah Foundation - Water and Property Taxes](#)

Richard Bay, General Manager, Jordan Valley Water Conservancy District, spoke to the issue.

3 . Draft Legislation, "Income Tax Revenue Amendments"

Rep. Norman K Thurston explained the draft legislation and responded to questions from the committee.

[5 - Income Tax Revenue Amendments](#)

John L. Valentine, Chair, Utah State Tax Commission, introduced Rebecca Rockwell, Commissioner, Utah State Tax Commission, and spoke to the draft legislation.

Rebecca Rockwell spoke to the draft legislation.

John L. Valentine responded to questions from the committee.

MOTION: Rep. Daw moved to move on to the next item on the agenda The motion passed with a vote of 12 - 0 - 7.

Yeas-12

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Sen. L. Fillmore
Sen. D. Hemmert
Sen. D. Henderson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0Absent-7

Sen. C. Bramble
Sen. G. Davis
Rep. S. Eliason
Rep. F. Gibson
Rep. B. Last
Rep. J. Moss
Rep. V. Peterson

4 . Draft Legislation, "Certified Tax Rate Calculation Amendments"

Rep. Steve Eliason explained the draft legislation.

MOTION: Sen. Fillmore moved to approve the minutes of the August 21, 2019, meeting. The motion passed with a vote of 12 - 0 - 7.

Yeas-12

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0Absent-7

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last
Rep. J. Moss
Rep. V. Peterson

Rebecca Rockwell spoke to the draft legislation.

[3 - Certified Tax Rate Calculation Amendments](#)

MOTION: Rep. Daw moved to recommend file 2020FL0613 version 3, "Certified Tax Rate Calculation Amendments". The motion passed with a vote of 13 - 0 - 6.

Yeas-13

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0Absent-6

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last
Rep. J. Moss

5 . Draft Legislation, "Property Assessment Procedure Amendments"

Rep. Steve Eliason explained the draft legislation.

[4 - Property Assessment Procedure Amendments](#)

Rebecca Rockwell spoke to the draft legislation.

MOTION: Rep. Peterson moved to recommend file 2020FL0135 version 4, "Income Tax Revenue Amendments". The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. J. Moss
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0

Absent-5

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last

6 . Draft Legislation, "Tax Exemption for Construction or Unoccupied Property"

Christine R. Gilbert, Associate General Counsel, Office of Legislative Research and General Counsel, presented an overview of the draft legislation and responded to questions from the committee.

Rebecca Rockwell spoke to the draft legislation.

[6 - Tax Exemption for Construction or Unoccupied Property](#)

MOTION: Sen. Fillmore moved to recommend file 2020FL0349 version 5, "Tax Exemption for Construction or Unoccupied Property". The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. J. Moss
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0

Absent-5

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last

MOTION: Rep. Peterson moved to reconsider committee action on agenda item 5. The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. J. Moss
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0Absent-5

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last

MOTION: Rep. Peterson moved to recommend file 2020FL0612 version 2, "Property Assessment Procedure Amendments". The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. S. Barlow
Rep. J. Briscoe
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. J. Moss
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. N. Thurston

Nays-0Absent-5

Sen. C. Bramble
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last

7 . Utah State Tax Commission Authority to Reallocate Income Between Two Related Companies

Andrea Valenti Arthur, Associate General Counsel, Office of Legislative Research and General Counsel, spoke to the issue.

[7 - Sees Candy Presentation](#)

[7 - Reallocation of Income](#)

John L. Valentine spoke to the issue and responded to questions from the committee.

Frank Hales, Deputy Director, Auditing Division, Utah State Tax Commission, spoke to the issue and answered questions from the committee.

Rusty Cannon, Vice President, Utah Taxpayers Association, spoke to the issue.

8 . Required Annual Review of Certain Income Tax Credits

Alex R. Janak, Policy Analyst, Office of Legislative Research and General Counsel, presented a report on income tax credits in code and answered questions from the committee.

[8 - Staff Tax Credit Review](#)

Mat Carlile presented on the Utah Alternative Fuel Heavy Vehicle Tax Credit and answered questions from the committee.

[8 - Utah Alternative Fuel Heavy Duty Vehicle Tax Credit](#)

Richard Ellis presented on the my529 Tax Credit and answered questions from the committee.

[8 - my529 Tax Credit](#)

Ben Hart, Deputy Director, Governor's Office of Economic Development, introduced Jill Flygare, Managing Director of Internal Operations, Governor's Office of Economic Development.

Jill Flygare reported on the recycling zone tax credit.

[8 - Recycling Zones](#)

9 . Other Items/Adjourn

MOTION: Rep. Barlow moved to adjourn. The motion passed with a vote of 8 - 0 - 11.

Yeas-8

Rep. S. Barlow
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0

Absent-11

Sen. C. Bramble
Rep. J. Briscoe
Sen. G. Davis
Rep. F. Gibson
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. V. Peterson
Rep. T. Quinn
Rep. A. Stoddard

Chair Spendlove adjourned the meeting.